FBIS DAILY REPORT

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ECUADOREAN MINISTER SPEAKS AT ANDEAN PACT MEETING

PA092334 Quito Voz de los Andes in Spanish 1730 GMT 9 May 79 PA

[Excerpts] The foreign ministers of the [Andean] subregion opened a high-level meeting this morning under the chairmanship of Ecuadorean Foreign Relations Minister Jose Ayala Lasso. Basically they will organize the meeting of presidents to be held in Cartagena, Colombia. Ayala made the following statements during the opening of the meeting this morning:

[Begin Ayala recording] The achievements of the Cartagena Agreement have been substantial, although not to the degree or in the manner we established and wanted at first. Certain differences have arisen, but these are characteristic of an organization in which there are as many interests as there are members. We have overcome many of them and those which still exist are on the way to settlement.

The determination we have devoted to integration will permit us to reconcile positions, to remain always prepared to seek collective agreement and to fulfill faithfully our commitments. The experience of these 10 years has shown that this is the only way we will move toward integration, with objectivity and a sense of reality and along paths of real progress.

Integration demands full and intense participation on the part of all member countries in the process. Partial participation distorts aims and, more than that, generates distrust and contradictions, which must be averted. No country can be forced to accept a situation contrary to its legitimate interests. However, it is indeed desirable within such a unique and daring integration scheme as the one we have concluded to count on our collective efforts in order to guarantee the [word indistinct] of the process and at the same time obtain an adequate collective participation in its benefits.

The overall concept of the Cartagena Agreement on the basis of an expanded market places emphasis on the development of exchange and the implementation of industrial programs. Most of our attention has been devoted to this. However, it is necessary to add a new element which, without thwarting these objectives of the agreement, should complement them. I refer to the urgent need to study specific formulas to implement a major program of agricultural and livestock development with the participation of all our countries, both in the production phase as well as in the intraregional and subregional marketing phase.

Mechanization and industrialization will be tools of progress, always provided that they are supplied with the products which we must obtain from our lands. Let us devote, then, all possible efforts to achieving this, such a significant goal for our countries, which have an old agricultural tradition, bearing in mind that the world today faces a food shortage.

The economic arrangements that emerged in the postwar period have reached a crisis both because of their content and their unilateral character. They have been marked by the concentration of wealth and power in the hands of a few. We must not continue following these rules. In between, there is a developing world that is aware of its own (?growth), of its own rights, always curtailed or violated. This poses a threat to international peace and tranquility. [end recording]

MARTINEZ DE HOZ SAYS INFLATION RATE 'FAVORABLE'

PY100109 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2006 GMT 9 May 79 PY

[Excerpt] Buenos Aires, 9 May (NA)--Argentine Economy Minister Jose Alfredo Martinez de Hoz said today that the 7-percent increase in the cost of living for the month of April was "favorable" and criticized "sectors which on one hand ask us to do what we can to cut down inflation and almost at the same time request concrete measures which would merely feed this inflation."

In an interview today on a metropolitan radio station, the economy minister indicated that "the important thing is for the people to realize that we are not going to change the guidelines, and economic activities must abide by them." He added: "This means that we will not go on condoning inflation and implementing measures that do no more than feed it. What we are asking from all sectors, including the state, is action aimed at gradually reducing costs and prices to keep them in line." He went on to say: "Should we do the opposite, as some have been asking us to do, we would merely feed inflation; this is obvious all the time."

He was told that it is difficult to understand why inflation persists despite the fact that anti-inflationary factors, such as issuance of currency, are under control. Martinez de Hoz said: "I heard this same remark abroad, and the conclusion is that in any normal country these measures by now would have had more marked effects than those experienced in our country. However, the answer is simple. Our country is still sick with a desease it has had for the past 30 years, with some interruptions. It is not easy to cure a 30-year disease in 3 years," the minister said. "Therefore we must administer the medicine some more and we must be patient and take the medicine if we truly want to attain our final goals," he added.

In response to another question, the minister discussed the 7-percent hike in the cost of living for April. "I view it as favorable," Martinez de Hoz emphasized, "because we have prevented the situation of the previous 2 years, with their seasonal peak in March and April, because a rise in the cost of living in these 2 months prevented or hampered the process in the subsequent months.

1978 TRADE WITH USSR PUT AT $484 MILLION

PY092215 Buenos Aires LA OPINION in Spanish 9 May 79 p 9 PY

[Excerpt] The Trade and International Economic Negotiations Secretariat has released Bulletin No 431 reporting that overall Argentine-USSR trade in 1978 amounted to 330.3 million rubles (approximately $484 million). Thus Argentina became the USSR's main Latin American trade partner after Cuba.

Argentine exports amounted to $462.4 million, which included fine wool, woolen fabrics, leather goods, semimanufactured leather, wheat, corn, linseed oil and ironwood extract. Argentina imported machinery, equipment and bichromate of sodium for $22.5 million.

BRIEFS

AIR AGREEMENT WITH CANADA--Argentina and Canada today signed a commercial air travel agreement which allows each party to grant the other the right to fly over its territory, to land at airports open to international traffic for commercial purposes, to unload passengers, mail and cargo, and to designate an airline to receive these privileges. [Buenos Aires Radio Belgrano in Spanish 0130 GMT 9 May 79 PY]

CABINET RESIGNS EN MASSE, PROVOKING CRISIS

PY092140 Buenos Aires LATIN in Spanish 2130 GMT 9 May 79 PY

[Text] La Paz, 9 May (LATIN)--Official sources reported that all the cabinet ministers of the government headed by the Bolivian military junta today resigned, unleashing a total cabinet crisis. Interior Minister Col Raul Lopez Leyton, the spokesman for the resigning ministers, told the press that the 15 cabinet ministers have provided the chief of state, Gen David Padilla, the freedom to choose his immediate collaborators for the final phase of the democratization process. This is the second cabinet crisis for the military government, which came to power on 24 November 1978.

Text of Resignation Letter

PY100130 La Paz Radio Cruz del Sur in Spanish 2330 GMT 9 May 79 PY

[Text] The presidential press secretary summoned journalists to the Government Palace at 1800 today and read to them the letter of resignation submitted to the president by the entire cabinet:

Your Excellency: We have had the honor of serving as ministers in your cabinet by your personal choice. We took the oath of office on 16 January with the highest patriotic spirit and motivation to serve the nation. We believe to have contributed as much as possible through our dedication and ability to a historically very important transitional period in the affairs of the country. We believe to have discharged our duty as Bolivian citizens by managing the ministries entrusted to us in accordance with the national interests and the state's political guidelines.

Bolivia, our beloved country, is destined to achieve its basic objectives of economic and social development and recovery of a seacoast. So that these objectives can be reached, it is important that Bolivians make a joint decision.

In view of this, Mr President, we have of our own accord decided to submit our resignations from our ministerial posts so that your excellency may feel free to form a new cabinet for the last stage of the government of the military junta, which is dedicated to the process of constitutionalization of the country which is to culminate with the general elections of 1 July.

As we take this decision, we want to thank your excellency for the confidence placed in us and for the opportunity given us to serve the nation. We take this occasion to reassure your excellency of our most distinguished regards.

POLITICAL ELEMENTS SEEKING TO DISRUPT ELECTIONS

PY091328 La Paz Radio Panamericana Network in Spanish 1130 GMT 9 May 79 PY

[Text] The government believes that political elements interested in disturbing the present electoral process and causing the failure of the July elections have infiltrated the strike movements in a way which endangers the country's social peace.

President David Padilla Arancibia himself said yesterday that this fact has been discovered. But that his government will not allow the nation's social tranquillity to be broken now that it is preparing to go to the ballot boxes on 1 July. General Padilla confirmed once more that his government will not lend itself to any thwarting of the electoral process and that the elections will be held in an atmosphere of peace, democracy and absolute fairness to which all political parties should contribute.

He declared, however, that his government will take measures, even severe ones, to prevent provocateurs from taking advantage of any social conflict to reach their goals of spreading chaos and anarchy. General Padilla said the government will apply the law to punish elements who disturb social peace and the tranquility of the people.

He further said that he has given instructions to the Interior Ministry to take measures to guarantee the absolute impartiality of government officials during the electoral process which will lead up to the 1 July elections. The president said: It is necessary to surround the elections with all guarantees so they can be fulfilled as a faithful expression of the will of the Bolivian people for the constitutionalization of the country. Some of the measures announced by the president will be approved by the cabinet meeting at the Government Palace today.

Warning of Stringent Measures

PY100349 Buenos Aires LATIN in Spanish 2056 GMT 9 May 79 PY

[Excerpts] La Paz, 9 May (LATIN)--The military government junta decided today to "try" all those who "disrupt social tranquility" and cause incidents "capable of endangering the electoral process," according to official information. Interior Minister Raul Lopez Leyton indicated that the decision was made during a cabinet meeting which analyzed the country's current political and social situation. A month ago the government approved a decree declaring "criminals" (reos) all businessmen and workers who refuse to seek formulas to resolve their social and economic problems. "Labor strikes and the closing of enterprises by their owners are bound to lead to social unease which is harmful for the process of democratization in which the government is engaged," Lopez Leyton said.

Recently President David Padilla disregarded any possibility of granting salary increases "in view of the country's economic situation." In the face of announcements of new labor strikes in sectors which are posing economic demands, Minister Lopez Leyton said that "the government will use every legal instrument within its means to prevent disturbances at this pre-electoral stage."

BRIEFS

NEW OILFIELD--Spokesmen for the Contracting Enterprise Occidental Petroleum have reported to the prefect of Chuquisaca Department that the new Porvenir oilfield, located at Carandaiti in the Chaco region of the department, has a potential daily production of 8,500 barrels of crude and 120 million cubic feet of natural gas. Occidental Petroleum is making preparations for drilling a second well in the same oilfield. [La Paz Radio Panamericana Network in Spanish 1130 GMT 9 May 79 PY]

SWEDISH AMBASSADOR--Swedish Ambassador Ulf Norstrom yesterday presented his credentials to Bolivian President David Padilla. [La Paz EL DIARIO in Spanish 3 May 79 p 3 PY]

NEW ENAF MANAGER--Lt Col Arsenio Gonzalez Rojas has been appointed general manager of the National Smelting Enterprise [ENAF]. [La Paz PRESENCIA in Spanish 4 May 79 p 11 PY]

AMBASSADOR RESIGNS--La Paz, 3 May (AFP)--It was officially informed here today that Mario Rolon Anaya, Bolivian ambassador to the United Nations and member of the Security Council, today presented his resignation to the military government. Foreign Minister Raul Botelho said the government will make a decision in this regard within the next few days. [Paris AFP in Spanish 1516 GMT 3 May 79 PY]

REACTION TO VIDELA REMARKS ON ITAIPU PROJECT

PY100154 Buenos Aires LATIN in Spanish 2152 GMT 9 May 79 PY

[Excerpts] Brasilia, 9 May (LATIN)--Through official information released today, Brazil denied that it views Itaipu as a potential conflict with Argentina. This reaction is in connection with the speech Argentine President Jorge Rafael Videla made in Tucuman yesterday. The Brazilian press today published Videla's remarks on Argentina's potential conflicts, among which it included Itaipu, under huge headlines.

According to Bernardo Pericas, official spokesman for the Brazilian Foreign Ministry, Brazil does not view Itaipu as a source of potential conflict because "we have a great deal of confidence in our capability--as well as in that of Paraguay and Argentina--to reach an understanding."

The spokesman indicated that the Foreign Ministry knew about the statement of the Argentine president through the press and through their ambassador in Buenos Aires, but was awaiting further details.

According to reports published here today, Videla indicated that Argentina's proposals to reconcile the dams met with a negative reaction in Brazil. In this regard, Pericas indicated: "We do not believe our position has been negative." He indicated that Brazil was taking note "with interest" of Videla's remark to the effect that he was optimistic over a solution to the problem.

He revealed that Brazil is getting ready to resume negotiations with Argentina and Paraguay to reconcile Corpus and Itaipu and that Foreign Minister Ramiro Saraiva Guerreiro met yesterday with Mines and Energy Minister Cesar Cals to exchange ideas on this issue.

However, Pericas did not indicate the date for the resumption of the talks interrupted last February after an exchange of notes between Brazil and Argentina. "We agreed to hold talks when we are ready," Pericas told the journalists.

CONGRESS APPROVES CREATION OF NEWS AGENCY

PY081958 Buenos Aires TELAM in Spanish 2140 GMT 4 May 79 PY

[Text] Rio de Janeiro,4 May (TELAM)--The presidential civil household and the Social Communications Ministry today began writing the statutes for the Brazilian News Agency (EBN) [Empresa Brasileira de Noticias] created by congressional law 24 hours ago. EBN will cover not only all informational aspects of a news agency on a basis of equality with those which already exist in Brazil, but it will also play the role of an advertising agency to control and distribute advertisements from state companies and official departments.

The law, approved by Congress through a bill presented by the executive branch, did not produce any reaction in the Brazilian newspapers, and the Brazilian Association of Advertising Agencies (ABAP) [Associacao Brasileira de Agencias de Propaganda] decided to open a branch office in Brasilia to "maintain a permanent exchange of news with the new organization."

EBN Director Apolonio Salles Filho declined to make any statement "until the executive branch concludes the statute regulating the activity of the agency," but a spokesman of the Social Communications Ministry indicated that it was "an old project that will allow Brazil not only to improve the government informational relations with the communications media, but also to expand and improve the Brazilian image abroad."

He added that "according to the law, EBN will function like other similar organizations which distribute political, economic, financial, cultural, artistic and civic reports in Brazil, and will therefore ask for the expansion of the current national agency network and will also ask for the informational cooperation of colleague companies."

He said the change into an "advertising agency to channel the official advertisement is the indispensable financial resource for EBN to achieve a high level of efficiency." He added: "The agency will be much more frank and loyal if it operates with funds coming from a percentage of official advertising and not subject to the so-called reserve fund or a subsidy which is not only exposed to the government's administrative instability, but which will also require an exact and permanent budget to implement its expansion programs."

He agreed with Senator Jose Sarney, who presented the project to Congress, in the sense that "the definite objective of the agency is to expand the official news report system domestically and to improve the Brazilian image abroad."

As the bill has been approved by Congress, EBN is thereby authorized to distribute legal advertising of the federal administrative organizations and companies, and also to sign "contracts, agreements or accords with official or private companies."

Much emphasis has been placed on the law, whose draft copy was first studied during General Ernesto Geisel's administration, so it may become "an important step toward broadening the Brazilian image." According to the experts, the creation of EBN only reaffirms the institutional policy maintained by Brazilian governments to consolidate its "presence in the world, especially in Latin America."

HUMAN RIGHTS COUNCIL MEETS; PROBE REQUESTED

PY100234 Brasilia Domestic Service in Portuguese 2200 GMT 9 May 79 PY

[Text] Justice Minister Petronio Portella today chaired a meeting of the Human Rights Defense Council [CDDPH]. The meeting, which was secret, was attended by representatives of the Brazilian Bar Association, the Brazilian Press Association, the Brazilian Teachers Association and other entities; by Prof Pedro Calmon, Senator Jarbas Passarinho and Deputy Nelson Marchezan, government leaders in the Senate and the Chamber of Deputies, respectively; and by Luiz Paulo Lindenberger Sette, Itamaraty's representative.

Senator Orestes Quercia today reported in the Senate that he asked the Justice Ministry to have the CDDPH investigate the whereabouts of 47 missing persons based on a report prepared by the Brazilian Amnesty Committee.

Announcing his proposal at the Senate's plenary session, Quercia said the CDDPH cannot resume its activities without taking into account the list of missing persons who, in his opinion, may still be enduring violations of their rights. He again criticized Justice Minister Portella's decision to have the CDDPH attend only to reports on violations of human rights which may occur in the future.

300 MAY DAY PRISONERS RELEASED; 40 FACE TRIAL

PY090153 Paris AFP in Spanish 2227 GMT 8 May 79 PY

[Text] Santiago, Chile, 8 May (AFP)--The more than 300 demonstrators arrested by Chilean police on 1 May were released today. However, a judge summarily decided to keep 40 of them in prison and will bring court action against them for violation of the state security law. Judge Hernan Careceda ordered the release of the others because of lack of evidence, the court reported.

Theology students from the Catholic University today declared a 48-hour strike in support of the persons arrested for street demonstrations last week on labor day, their leaders reported. Another group of students tonight ended a 2-day fast for solidarity at Santiago University.

TRADE WITH PEOPLE'S REPUBLIC OF CHINA TO INCREASE

PY092159 Buenos Aires LATIN in Spanish 1714 GMT 9 May 79 PY

[Text] Santiago, Chile, 9 May--Chile will step up studies of new programs aimed at increasing trade with the PRC, according to a statement by the chairman of the Confederation of Financial Institutions (CONIF), Edmundo Miquel, when he returned from his trip to the PRC.

Miquel visited the PRC on behalf of Chilean private businessmen, and according to his remarks to the CONIF executive board a number of Chilean copper and wood sales have taken place, although he did not specify the quantities involved.

Chile purchases Chinese tea, silks, cotton, velvet, plush, porcelain, ceramics, bicycles, toys, medicines and sporting goods.

Chile plans to expand its exports of cellulose, saponin, copper sulphate, electric and telephone wires and saltpeter, according to Miquel. At the same time, Chile plans to purchase chemical products, tools, bathroom fixtures, and technical aid for a rice farming program.

MEDIUM EARTH TREMOR FELT IN VALPARAISO

PY091922 Buenos Aires LATIN in Spanish 1833 GMT 9 May 79 PY

[Text] Valparaiso, Chile, 9 May (LATIN)--The seismological institute has reported that two tremors of medium intensity were felt in this Chilean port on the Pacific, but said they did not cause any casualities or damage.

The first tremor was felt at 0651 local time with an intensity of 2 degrees on the international scale of 1 to 12 and lasted 8 seconds. The second was felt at 0928 with an intensity of 3 degrees and lasted 25 seconds. The two tremors had their epicenter 140 km northeast of Santiago.

BRIEFS

FOREIGN TRADE FIGURES--Santiago, Chile (LATIN)--According to a Central Bank report, during the first 3 months of this year Chilean imports increased by 49.1 percent over the same period last year. That is $705.1 million in 1979 compared with $472.8 million in 1978. Exports for the same period increased by 34.1 percent. That is $747.1 million for 1979 compared with $557.2 million for 1978. The report also states that the trade balance showed a $42-million surplus. [Buenos Aires LATIN in Spanish 0251 GMT 4 May 79 PY]

INITIATION OF JOINT GUERRILLA STRUGGLE ANNOUNCED

PA092337 Madrid EFE in Spanish 0140 GMT 9 May 79 PA

[Text] Bogota, 8 May (EFE)--The M-19 urban guerrilla movement announced for the first time today, Tuesday, that all Colombia's extremist movements will initiate a joint struggle to enforce respect for human rights in this country. In a clandestine bulletin sent to EFE's offices in Bogota, the M-19 said its struggle presently is not being waged independently but, rather, "in conjunction" with other extremist organizations.

In the bulletin, which mentions the labor union struggle in Colombia, the M-19 maintained that other movements such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN) and the Pedro Leon Arboleda (PLA) group have joined together to fight jointly. In addition, the M-19 claimed that labor, religious and democratic sectors are committed to the subversive struggle.

The guerrilla organization, which harshly criticized the security statute imposed in the country to control subversion and organized crime, said that it will continue to wage a political-military struggle. The M-19 guerrilla group has resurfaced 5 weeks after having occupied the installations of the evening paper EL CALENO, at which time it issued a special edition continaing subversive slogans. Early this year, the M-19 stole over 5,000 weapons from a military depot in northern Bogota. It was later dismantled by the military intelligence services, which arrested its main leaders.

STUDENTS OCCUPY CHURCH TO PROTEST DISAPPEARANCE

PA091230 Bogota Cadena Radial Super in Spanish 0000 GMT 9 May 79 PA

[Text] Tunja, Colombia--Archbishop of Tunja Msgr Augusto (Trompillo Arango) said this afternoon concerning the occupation of the city's cathedral by approximately 500 university students that there is no obstacle or impediment to preventing the students from staying in the church. Msgr (Trovillo Arango) said the department government as well as the military high command promised him they would not intervene forcefully to evict the students who took over the church early this morning. The archbishop said that he will allow the church to be occupied until the authorities reveal to the students the whereabouts of Pedagogic University student Hernando Benites Lopez, who disappeared mysteriously several days ago. It seems that Benites Lopez was captured and tortured as part of the investigations of the M-19 movement.

AIR FORCE COMMANDER LEAVES FOR BUENOS AIRES

PA082010 Bogota Radio Cadena Nacional in Spanish 1730 GMT 8 May 79 PA

[Text] Colombian Air Force Commander Gen Raul Alberto Paredes Diago left today for Buenos Aires in response to an official invitation. He will remain in the Argentine capital until next Monday, where he will attend a series of events scheduled by the Argentine Air Force and Defense Ministry.

SMALL INDUSTRIALISTS ASK FOR SOFTER CREDIT

PA081427 Bogota Cadena Radial Super in Spanish 1100 GMT 8 May 79 PA

[Text] The Colombian Small Industrialists Association [ACOPI] has insisted to the central government on the need to soften credit nationwide after noting that credit problems have undermined Colombia's industrial development. ACOPI National Director Mario (Filet) de Manjarres pointed out that Colombia banks have paralyzed credit for industry due to government restrictions.

ROLDOS ADDRESSES NATION ON ELECTION VICTORY

PA092321 Quito Voz de los Andes in Spanish 1730 GMT 9 May 79 PA

[Text] President-elect Jaime Roldos Aguilera has said the big winner in the 29 April election was the people. He said Ecuador's political process is also important for other peoples who are struggling for democracy in our continent. In a speech last night over a national television network, Roldos said more than 1 million Ecuadoreans said "yes" to the thesis of social change, democracy, constitutionality, freedom and to a balance between economic development and social justice:

[Begin Roldos recording] I cannot fail the Ecuadorean people. We must show that we are capable of governing in accordance with our campaign promises. When I toured Ecuador I heard the people say, "Roldos, president of the poor; Roldos, president of the humble people." I am going to be president of all Ecuadoreans, but the poor and humble of my fatherland can be sure that I am going to respond to the hopes they have placed in me. [Words indistinct] fellow countrymen that we are going to struggle to incorporate the underprivileged into a life of dignity, respect and freedom. [end recording]

We must know how to handle the popular victory of 29 April, he said, adding that during his 5-year term, he wants the country to prosper and progress on the path of real economic development, permitting the incorporation of those neglected sectors. The 38-year-old Guayaquil lawyer said that even though Ecuador's political process is vitally important to us, it is also important to others who are struggling for democracy in our continent. He said truly democratic figures of our continent and Europe view Ecuador's democratization process as a path for our fatherland and for America.

[Begin recording] Ecuadoreans, in the next few weeks I am going to make a tour of all of Ecuador's 20 provinces. During the tour I am going to thank all the peoples of my fatherland for the support they gave me. I believe the best way I can thank them is by undertaking projects. I am going to hold a constructive dialog with the main sectors of each province in order to establish a program that will permit me to carry out fruitful work on behalf of all Ecuadorean regions beginning on 10 August. I will make a tour abroad in July, visiting some American countries in order to establish appropriate contacts for the best fulfillment of my role as a leader. [end recording]

I am, and my government will be, respectful of the free self-determination of peoples, Roldos said. He added that he will respect the principle of nonintervention, but that he will defend human rights and democracy all over the world. He said that on his tour of American countries in July he will establish contacts for the best fulfillment of his duties. He did not say what countries he will visit.

Roldos thanked the armed forces, which have fulfilled their word of honor, and added that he is sure they will fulfill it to the fullest.

Tomorrow the Supreme Electoral Tribunal will begin the final count. Roldos warned that the people's will must not be distorted, indicating that he hopes and demands that it act in accordance with the law and with what the people expressed at the polls. The people do not want dictatorship, oligarchy or totalitarianism. They want democracy, the president-elect said.

INDIAN ASSOCIATION HEAD DENIES REPORTS OF GENOCIDE

PY090142 Asuncion HOY in Spanish 8 May 79 p 13 PY

[Memorandum to Defense Minister Marcial Samaniego from executive director of National Indian Institute, Col Oscar Centurion]

[Text] Mr Richard Arens has again appeared on the scene in the United States, renewing his accusations against Paraguay with regard to "genocide." This fantasy on the part of Arens (because it is completely part of his imagination) is part of the campaign launched by Epifanio Mendez Fleitas, who is thinking up all sorts of attacks with the intention of discrediting the government.

Arens' argument consists of the following: That the Guayaki Indians are used, as usual, as slaves; that their children are sold and taken to different places; that Doctor Mengele, a German doctor, is doing experiments on the Ache Guayaki indians.

Mr Richard Arens has offered as testimony in the Pena case the charge of genocide in Paraguay. This charge also includes the active participation of Mr Mendez Fleitas, who is seeking to obtain by this some success in his efforts to create some kind of political scandal.

In another paragraph, Colonel Centurion states that during his visit to the United States he was able to confirm that Mendez Fleitas was meeting with authorities of the State Department and the Congress to obtain support for his campaign.

In this regard, U.S. authorities interrogated Colonel Centurion, who states that there is peace and calm in Paraguay, that the Paraguayan people are happy, that the government is actively working to find a solution to the Indian problem and that the National Indian Institute is performing its mission effectively.

ARGENTINE GOVERNMENT OFFERS AID TO FLOOD VICTIMS

PY090336 Asuncion ULTIMA HORA in Spanish 8 May 79 p 6 PY

[Excerpt] In a letter to his Paraguayan counterpart, Argentine President Jorge Rafael Videla offered his aid and cooperation to the victims of the Paraguay River floods.

The letter was delivered this morning by Argentine Ambassador Sergio Norberto Novoa during a meeting he described as "very cordial" when he left the Lopez Palace. In the letter the Argentine Government expressed solidarity with the flood victims and offered aid should the Paraguayan Government deem it necessary.

BRIEFS

FREE PORT--Nationalist Chinese businessmen and officials of the economic sector have asked the Paraguayan economic delegation that is visiting Taipei to study the possibility of granting a free port to the ROC on the Paraguay River to install industrial companies there to offer their products to local and River Plate basin markets. They also discussed the possibility of Chinese companies making investments in Paraguay. [Asuncion ABC COLOR in Spanish 3 May 79 p 13 PY]

SWEDISH BID--A consortium headed by the Swedish company ASEA Aktiebolaget won the bid for installation of the electric line from the Itaipu dam to Sao Paulo. The line will be 900 km long. [Asuncion ABC COLOR in Spanish 3 May 79 p 12 PY]

AT LEAST 12 SAID INJURED IN CUSCO CLASHES

PA100018 Madrid EFE in Spanish 0323 GMT 9 May 79 PA

[Excerpt] Lima, 8 May (EFE)--At least 12 persons were injured in clashes between students and police in the past few days in the Peruvian city of Cusco.

According to a brief communique issued by the Fourth Region Civil Guard, which has its headquarters in Cusco, an officer and six other members of the police are among the injured. The document, signed by Commander Sergio Frisancho, puts responsibility for the disturbances on "extreme leftist agitators who use minors, especially schoolboys, for their objectives." The communique does not say how many were injured or arrested.

ARTICLE APPROVED ON FREEDOM OF COMMERCE, INDUSTRY

PY091654 Lima Domestic Service in Spanish 1200 GMT 9 May 79 PY

[Text] The Constituent Assembly has approved an article that indicates that the state recognizes freedom of commerce and industry. The subsequent law will determine the requirements, guarantees and obligations, including limitations. The exercise of commerce and industry cannot be contrary to social interests, morals or public security. The article is contained in Paragraph 4, Chapter 3, and is referenced to [words indistinct].

When the matter of the power to expropriate the communications media came up for a vote, the American Revolutionary Popular Alliance and the Popular Christian Party split.

ECONOMY MINISTER DISCUSSES WORLD BANK LOAN

PA091432 Lima EL COMERCIO in Spanish 3 May 79 PA

[Excerpts] Lima, 2 May (ESI Peru)--Economy and Finance Minister Javier Silva Ruete has stated that the evaluations made by the World Bank regarding the program for economic reactivation were positive. This is demonstrated by the $115-million increase in the special credit program granted to Peru by the World Bank.

In statements made in a television program, Silva Ruete said the loan is a truly extraordinary contribution because of its favorable financial conditions and the contribution of funds to boost the production sector and hasten the economic recovery program.

Although the external problems of the economic crisis have been solved, Silva Ruete warned that "all Peruvians must increase their efforts" to reactivate the economy and increase economic growth. He noted that most of the funds will be invested in highways, agricultural and health projects. In addition, foreign exchange will be at the disposal of those who need it and will be used mainly for commodities and equipment to increase production.

Aside from a small loan for engineering studies on the Montaro River project, Peru had not received a World Bank loan since 1977. The new package is the most important World Bank loan ever granted to Peru.

Of the $115 million, $95 million will be used to import commodities and priority goods required by the manufacturing sector. This will leave $18.4 million [as published] for other sectors. In addition, $1.5 million will be used to import medical supplies, especially vaccines and medicine. Some $100,000 will be used to finance studies to improve implementation of the economic program (studies on taxes, tariffs and others).

ENERGY MINISTER LEAVES ON TOUR OF OPEC COUNTRIES

PA092307 Buenos Aires LAT .. in Spanish 0950 GMT 9 May 79 PA

[Excerpts] Caracas, 9 May (LATIN)--Venezuelan Energy and Mines Minister Humberto Calderon Berti today begins a tour of several OPEC countries to conduct consultations on the price situation and the aid mechanisms for underdeveloped nations. The trip, Calderon Berti's first since taking office on 12 March, falls within the framework of meetings which the OPEC oil ministers hold regularly before each ordinary assembly. The next OPEC assembly will be held in Geneva on 26 June. Although his official itinerary has not been announced, Calderon Berti will reportedly visit Kuwait, Saudi Arabia, the United Arab Emirates, Qatar, Algeria and Libya.

OIL SALES TO CANADA REPORTED NORMAL

PA091225 Buenos Aires LATIN in Spanish 2048 GMT 8 May 79 PA

[Text] Caracas, 8 May (LATIN)--The sale of Venezuelan oil to Canada "continues to be completely normal and the relations with the Canadian Government enterprise are developing in complete harmony." The statement was made today by a spokesman of the Venezuelan oil corporation.

According to press reports from Canada, that country's energy minister, Alastair Gillespie, reportedly said that Venezuela had stopped negotiations on future deliveries of oil as a result of the confusion existing in the Canadian oil enterprise. On the other hand, Canada and Venezuela are closely cooperating on heavy crude research of which both countries have large reserves. The exploitation and processing of this crude requires the development of costly technology.

ENERGY MINISTER COMMENTS ON GASOLINE SITUATION

PA092024 Paris AFP in Spanish 2359 GMT 8 May 79 PA

[Text] Caracas, 8 May (AFP)--Venezuelan Energy and Mines Minister Humberto Calderon Berti here today discarded the possibility of Venezuela's having to import gasoline for domestic consumption and to have a collective transport reform for more rational use of the fuel. The minister's statements came after a warning issued by the Venezuelan Petroleum Company (PETROVEN) that next year Venezuela could be forced to import gasoline at $30 per barrel for domestic consumption.

The consumption rate increase as gone up from 7 to 14 percent [no time span indicated] and now threatens to surpass the gasoline production of the 13 national refineries. PETROVEN has initiated a $1.2 billion program to change the systems and to allow the refineries to produce more gasoline, but not even this will be enough unless the demand is reduced to 7 percent, important PETROVEN officials have warned. The domestic hydrocarbon market is being subsidized and low fuel prices encourage consumption. However, observers believe that there will be a price increase this very year, probably after the municipal elections of 3 June.

ROYO EXPLAINS PURPOSE OF HIS EUROPEAN VISIT

LD090935 Paris LE MONDE in French 6-7 May 79 p 5 LD

[Jean-Claude Buhrer dispatch: "Aristides Royo Puts Accent on His Country's Independence"]

[Excerpt] Panama City--It is no accident that for his first visit abroad, 7 months after assuming office, the young civilian president of Panama has chosen to come to Europe. As Mr Royo explained when he received us recently in Panama, this trip falls within the context of the efforts made by General Torrijos to secure for his country great independence from the United States.

General Torrijos has orientated his policy toward concluding agreements with the United States, providing for the canal and its zone to be returned to Panama by the year 2000. To give his country's demands more weight the general has sought to internationalize the affair. Thus Panama has hosted an extraordinary meeting of the UN Security Council, joined the nonalined group and resumed relations with Cuba.

Mr Royo believes that it is important for Panama to forge closer ties with the countries of Western Europe. "Of course," he said, "we are keen to remain on good terms with the United States, but at the same time we would like to assert the independence of our policy. My trip to Paris will be an opportunity for me to thank France for the support it gave us with respect to the treaties. One of these treaties guarantees the canal's neutrality, and therefore we call on the international community to abide by its principles. Since France plays an important role in international affairs, I hope to broach this subject with President Giscard d'Estaing. I also hope to discuss with him theimplementation of the treaties and the new development prospects which they offer Panama."

Panama, a small country with barely 2 million inhabitants but important on account of its geographical situation, attaches great importance to international solidarity. The treaties will come into force officially on 1 October. "It will be a historic day for us," Mr Royo declared, "when we finally enter the Canal Zone by the front door, with heads held high. On that day our jurisdiction will be strengthened by the disappearance of the colonial vestige represented by the present government of the Canal Zone. Our national heritage will be considerably enriched with land, plant, building lots and various facilities, including notably the ports of Balboa and Cristobal as well as the railroad. All that will belong to Panama. On that day we must also be ready to assume responsibility for all the public services in the zone. Over 600 Panamanian experts are already training to take over. A Panamanian has been appointed director of the railroads and another, director of the ports and maritime affairs. As far as the canal's defense is concerned, joint operations have been carried out by U.S. and Panamanian forces. Furthermore, a canal commission has been set up to replace the present Canal Company."

Mr Royo is aware that the task is a delicate one. In the United States, Congress has still to approve the enabling decrees and the treaties' adversaries have not yet conceded defeat once and for all, but the Panamanian president has confidence in Mr Carter.

Mr Royo also intends to use his trip to Europe to encourage the development of economic and cultural exchanges. Panama has become an important financial center. Over 70 foreign banks have established themselves there and, with the signing of the treaties, a heavy burden has been lifted, which should enable it to boost its economy.

Mr Royo intends to give economic problems priority again and hopes to attract new investments and associate European countries more closely with the development of natural resources such as cooper and hydroelectric power. His government also proposes to set up assembly plants, "but on the condition," he explains, "that they do not limit our sovereignty." Finally, he advocates more extensive use of services in view of the opportunities offered by the Colon free zone, the financial market and flags of convenience.

$135 MILLION LOAN FROM INTERNATIONAL BANKERS

PA091236 Panama City Televisora Nacional in Spanish 2315 GMT 8 May 79 PA

[Mario Velasquez report from Paris--recorded]

[Excerpts] The main activity of Royo's trip early today was to Brussels, Belgium, where the chief of state headed the ceremony whereby the Panamanian Government signed a contract for a loan of over $135 million with a large group of international bankers. The ceremony was attended by Finance Minister Ernesto Perez Balladares and Foreign Minister Carlos Ozores.

President Royo explained to the bankers the economic advantages offered by Panama to foreign investors, noting the operational facilities, such as our banking and monetary system, the free zone and our geographical position, all of which are favorable to international economic activities. In order to get a better perspective of this important $135 million loan, we offer the following recorded interview with Finance Minister Perez Balladares:

[Begin Perez Balladares recording] A credit for $135 million was signed today. The loan is very favorable to Panama because it is the first time we have obtained a loan in Eurodollars with interest lower than 1 percent. In fact, the rate of interest is 0.875 percent for a period of 10 years with a 5-year grace period. The original offer had been for $110 million but was later increased to $135 million by the European bankers.

Basically, these funds will be used for government investment projects in electrification, transportation, tourism, education, health, housing and so forth, and for the refinancing of some debts the government has at higher interest rates. I wish to point out that the main bank in this deal is the Societe Generale de Banques, one of the oldest banks in Europe and very prestigious internationally. I also wish to mention that this credit was obtained totally with European and Japanese banks, with no participation of U.S. banks, which opens new possibilities for the country financially.

[Question] What political significance does the Panamanian Government see in the fact that this group of international banks should have offered an important loan of $135 million shortly after learning in Panama and other places of a report from the U.S. Embassy which underlined deteriorating aspects of the Panamanian economy, which, in fact, the Panamanian Government rejected entirely?

[Answer] We believe this is new evidence of the confidence of the international financial sector, especially the European market, in Panama and in our development programs. This is a clear reply to the false information released through unofficial sources because the information was, in fact, denied by the U.S. State Department. It is obvious, however, that we enjoy full support from the international financial community. [end recording]

ROYO ISSUES STATEMENT ON ARRIVAL IN WASHINGTON

PA100336 Panama City Domestic Service in Spanish 2230 GMT 10 May 79 PA

[Excerpts] On his arrival today at Washington's Dulles Airport for a 3-day private visit, Panamanian President Aristides Royo said that the entry into force of the Panama Canal treaties is inevitable. In a written statement issued shortly after his arrival, Royo stressed that it would be a tragic mistake with incalculable domestic and international consequences if the noble and peaceful Panamanian people are defrauded on this occasion.

After indicating that he accepted President James Carter's invitation with great pleasure, Royo described the visit as necessary. Above all, he said, because the new relationship created by the treaties between the two countries demands that the two partners prevent initiatives which disregard the letter and spirit of the treaties. Those documents were freely agreed upon and ratified by the Panamanian people and the U.S. Senate, the president's statement said.

Despite having suffered almost a century of accumulation of frustrations in our stormy relations with the United States, the people and government of my country are making a sincere effort to fulfill the agreed upon obligations, he said. The peoples of the world, Royo added, trust in us to maintain peace in a region which is a key for international transportation, communications and commerce. Royo concluded his statement by warning that he trusts in the sense of responsibility of the U.S. Government and leaders to wholly fulfill the grave and solemn commitment acquired with Panama, Latin America and the international community.

Even though the White House described Royo's visit as private, his activities correspond to those of an official visit. Tomorrow, the Panamanian president will meet with President James Carter in a work session which could be decisive for the future of the canal and the relations between the two countries. In the last few weeks, the House of Representatives opened a real offensive against the implementation of the treaties, cutting economic and military credits to Panama and approving in committees amendments which violate the canal treaties.

EEC IMPORTERS SEEK PANAMANIAN, CARIBBEAN PRODUCTS

PA091449 Panama City Televisora Nacional in Spanish 2315 GMT 8 May 79 PA

[Excerpts] A group of importers from the European Economic Community [EEC] today initiated meetings in Panama City with producers from Central America, the Dominican Republic and Panama for the purchase of products from these countries for EEC member nations. According to Jose Benavent, adviser of the Exports Research and Promotion Center of the Commerce and Industry Ministry, the objective of the 4-day meeting is to contract products and establish possibilities for other products in European markets.

The Commerce and Industry Ministry official underlined the importance of having European importers come to our countries to buy the products they want instead of Central American and Panamanian exporters going to Europe to offer their products. According to an official source, the European market is primarily interested in fresh and frozen fruits, preserves, fresh vegetables, and processed and packed fish.

COSTA RICA

ANNOUNCED U.S. MEAT IMPORT REDUCTION PROMPTS CONTACTS

PA091516 San Jose Radio Reloj in Spanish 0000 GMT 9 May 79 PA

[Text] Our country has been contacting Jimmy Carter's government to avoid being affected by a bill on meat imports which the Senate might approve. A U.S. subcommittee has agreed to reduce meat imports by 200 million pounds. For this reason, Costa Rica has sent an expert to work on preventing the measure from affecting us, Meat Marketing Commission Director Pablo Araya announced.

Asked whether President Carter's decision not to import any more meat than necessary would affect the country, Araya responded that the U.S. quota would not be reduced but that a readjustment might be in order if other countries were unable to fulfill their assigned quotas. In any event, we are appealing to human rights [as heard] to keep the U.S. Government's decision from affecting us.

CARAZO COMMENTS ON FIRST YEAR IN OFFICE

PA100021 Panama City ACAN in Spanish 1716 GMT 8 May 79 PA

[Text] San Jose, 8 May (ACAN-EFE)--On completing his first year in office today, Costa Rican President Rodrigo Carazo Odio affirmed that he has done more during that time than he had expected to do before taking office. The president underscored the work carried out in the economic and social areas--in his opinion an enormous task--and said that he is really pleased with the achievements.

He also reiterated his intention to struggle against any vice that might exist within the public administration. Carazo described the executive branch's work in the area of human development as highly positive. He also praised his government team, affirming that it is "coherent and well coordinated and acts as a participant rather than a mere improvised observer."

UPCOMING MEETING WITH MEXICAN CHIEF EXECUTIVES

PA091918 San Jose Radio Reloj in Spanish 1630 GMT 9 May 79 PA

[Text] Presidents Carazo Odio and Lopez Portillo will meet on Cozumel Island between 20 and 25 May. The Costa Rican and Mexican chief executives will study the energy situation and the possibility of Mexico's providing petroleum and its derivatives to our country. This will be another lightning trip by Carazo, who would leave San Jose at 0700 to return in the evening. The meeting is very important for Costa Rica because a bilateral agreement signed 2 years ago exists by which Mexico committed itself to providing Costa Rica with petroleum. The agreement includes technical and financial assistance for Costa Rica to exploit its petroleum potential.

BRIEFS

NEW DEVELOPMENT CORPORATION OFFICIALS--Richard Bech and Adrian Hidalgo have stepped down as president and vice president, respectively, of the Costa Rican Development Corporation. Bech will be replaced by Trino Araya Borge and Hidalgo by Jorge Amador Sanchez. [San Jose Radio Reloj in Spanish 1100 GMT 8 May 79 PA]

EL SALVADOR

EMBASSY SITUATION GROWS MORE TENSE IN SAN SALVADOR

'Evacuation' of Costa Rican Embassy

PA091443 Panama City ACAN in Spanish 0100 GMT 9 May 79 PA

[Text] San Salvador, 8 May (ACAN-EFE)--The Peoples Revolutionary Bloc [BPR] said today in a communique that Costa Rican Ambassador Julio Esquivel and his coworkers were evaculated from the embassy by joint Costa Rican and Salvadoran forces. The BPR seized the Costa Rican and French embassies on Friday and demanded that the ambassadors intercede with the Salvadoran Government to release BPR Secretary General Facundo Guardado.

The communique, for which the negotiating commission assumes responsibility [as received], says that "on the afternoon of Monday, 7 May, joint Salvadoran and Costa Rican police forces tried to arrest our fellow BPR members who are peacefully occupying the Costa Rican Embassy." It adds that these forces evacuated the ambassador and the other embassy officials and immediately took them to the international airport to send them back to their country. The communique notes that a campaign has been launched affirming that the ambassadors had been kidnaped by the BPR "knowing that it is a mass organization made up of several popular sectors."

The commission claims that it had sought ways to contact the diplomats and to open negotiations but that the ambassadors did not heed its appeals. It notes that the BPR commission asked the ambassadors, among other things, to publish a communique addressed to all peoples of the world and that the communique was given to them at the time the embassies were seized. It also asked the diplomats to submit a report to the UN Human Rights Commission and to the OAS regarding the situation of BPR members in jail. They now ask to be allowed to take food and medicine to the BPR members who are in the embassies. They also ask that communications be restored. Concluding, the BPR members say that they will go on with their movement and that the commission is located at the office of the General Association of Salvadoran University Students (AGEUS) at the University of El Salvador.

Recall of Diplomatic Personnel

PA100335 San Jose Radio Reloj in Spanish 0000 GMT 10 May 79 PA

[Text] All Costa Rican diplomatic and consular personnel in El Salvador will return to Costa Rica on express orders of President Rodrigo Carazo. In view of the death threats received by business attache Jorge Pacheco and commercial attache Jose Antonio Arollo, the Costa Rican president ordered them to return to the country.

The Peoples Revolutionary Bloc (BPR), which invaded our embassy in El Salvador last week, threatened the Costa Rican officials with death after Ambassador Julio Esquivel and his secretaries escaped from the embassy. With the return of the two attaches, there will be no Costa Rican diplomatic representatives in El Salvador.

The BPR believes that the Costa Rican Government deceived the guerrilla movement when it agreed to negotiate and then used deceit to remove Ambassador Julio Esquivel and his two secretaries from the embassy. This was the cause of the anger of the guerrillas, who are now threatening to kill other Costa Rican diplomatic personnel.

The first thing the government did was to order the immediate return of the Costa Rican officials still remaining in the Salvadoran capital. Operation Heidi, as was called the rescue of Ambassador Julio Esquivel and his two secretaries who were being held as hostages by the Salvadoran guerrillas, has compelled the government to order the return of the other diplomats.

BPR Request for Asylum

PA091905 Paris AFP in Spanish 1835 GMT 9 May 79 PA

[Text] San Salvador, 9 May (ACAN-EFE)--Three members of the Salvadoran People's Revolutionary Bloc who are occupying the Costa Rican Embassy have asked for asylum in that country, it has been officially reported. Arrangements were immediately initiated for the group to surrender the (?arms) it has and to obtain the requested asylum.

Asylum Granted; BPR Leaves

PA100057 Buenos Aires LATIN in Spanish 0012 GMT 10 May 79 PA

[Excerpts] San Salvador, 9 May (LATIN)--It has been officially announced that the three members of the Peoples Revolutionary Bloc (BPR) who occupied the Costa Rican Embassy last Friday evacuated the diplomatic site after having been granted political asylum by the Costa Rican Government.

Sources close to Salvadoran President Gen Carlos Humberto Romero informed LATIN that the three unidentified men left for Ilopango Airport, some 20 km from San Salvador, to board the aircraft that would take them to Costa Rica. These same sources said that the three BPR members are already flying to Costa Rica. However, the sources did not reveal how the Costa Rican officials reached an agreement with the leftists so that they would evacuate the embassy and accept political asylum.

Meanwhile, eight blocks from the Costa Rican Embassy, French Ambassador Michel Dondenne and four embassy employees remain in the hands of the 16 BPR members who are occupying the embassy building. It was also learned from police sources that 19 persons had died during the bloody clashes which took place yesterday before the metropolitan cathedral between the BPR and Salvadoran security forces.

Arrival in Costa Rica

PA101232 Buenos Aires LATIN in Spanish 0445 GMT 10 May 79 PA

[Excerpts] San Jose, 9 May (LATIN)--Three members of the Peoples Revolutionary Bloc [BPR] of El Salvador who had seized the Costa Rican Embassy in San Salvador arrived in San Jose tonight as political refugees. Strict security measures surrounded their arrival at Juan Santa Maria Airport. They were immediately taken to an unknown destination in the capital. Security agents who waited for them at the air terminal allowed no contact with newsmen. The time of arrival was 2230 (0330 GMT).

15 Deaths in Violence

PA091518 Paris AFP in Spanish 0203 GMT 9 May 79 PA

[Text] San Salvador, 8 May (AFP)--A spokesman for the Peoples Revolutionary Bloc (BPR) has stated that 15 persons were killed and 25 wounded when the Salvadoran Army began dispersing a pro-BPR rally.

The casualties were carried into the cathedral which has been occupied by BPR supporters since Friday in support of the bloc's demands for the release of five of its leaders arrested in April. The BPR spokesmen used loudspeakers to request assistance from the Red Cross since soldiers have cordoned off 6 or 7 blocks around the cathedral.

There are approximately 17 wounded persons in the national hospital. The BPR did not report this. The Salvadoran Army today issued a communique blaming the BPR commandos inthe cathedral for having opened fire on a police truck. According to this communique, three policemen have been seriously wounded.

This evening, groups of young people claiming to be BPR members burned buses in various parts of the capital and closed streets with bonfires while shouting slogans [words indistinct] the situation could end. It is feared that a state of martial law could be declared.

Military Cordon in Downtown

PA091934 Paris AFP in Spanish 1521 GMT 9 May 79 PA

[Excerpt] San Salvador, 9 May (AFP)--San Salvador's commercial area was occupied this morning by the military while a small war of nerves is keeping Salvadorans tense.

The metropolitan cathedral, located in the downtown area, is being kept off limits by the army. Armed contingents closed streets leading to that area--where the National Palace, three banks and hundreds of shops are located--to all vehicles and passers-by. A hotel in which the correspondents of several foreign newspapers are staying was practically empty. The situation created countless troubles and inconveniences even for the tourists who have been trapped here by the violent political situation.

According to unofficial figures, 17 persons were killed and more than 40 were injured during yesterday afternoon's shootouts. The government claims that members of the Peoples Revolutionary Bloc (BPR) occupying the cathedral attacked police, but several foreign correspondents doubt the official version of the incidents.

Arraignment of BPR Leader

PA091544 Panama City ACAN in Spanish 0109 GMT 8 May 79 PA

[Excerpt] San Salvador, 8 May (ACAN-EFE)--Judicial sources reported today that Facundo Guardado, secretary general of the Peoples Revolutionary Bloc [BPR], was arraigned in the third criminal court today, Tuesday. Guardado's followers have occupied two embassies and the cathedral of San Salvador on his behalf. Guardado had been in custody under the jurisdiction of the special judge of the national police on charges of illegally possessing weapons. According to the BPR, Guardado was arrested on Sunday, 29 April. His case now comes under the jurisdiction of Judge Jose Artiga Sandoval.

FPL GUERRILLAS 'WARN' FOREIGN OFFICIALS

PA091408 Panama City ACAN in Spanish 0220 GMT 9 May 79 PA

[Text] San Salvador, 8 May (ACAN-EFE)--The Farabundo Marti Popular Liberation Front [FPL] has called the attention of, and issued a warning to, peoples of the world and officials of governments accredited to El Salvador. The clandestine group stated that it is prepared to prove that officials accredited to the country cannot be protected efficiently and constantly.

A communique of the subversive group affirms that two distinct positions have become evident: On one side, the governments that support the Salvadoran Government and on the other, the peoples of the world who support the Salvadoran struggle. The communique also calls on other Central American groups to act united. The FPL does not identify the people or governments it means when it speaks about support for them or for the government. The communique was read over some Salvadoran radio stations. The FPL notes that the Costa Rican Government headed by Rodrigo Carazo has come to an arrangement with the Salvadoran Government, thus turning its back on honorable international traditions that have been the pride of the Costa Rican people.

CONSTRUCTION WORKERS UNION DECLARES STRIKE

PA092353 Panama City ACAN in Spanish 0300 GMT 9 May 79 PA

[Text] San Salvador, 8 May (ACAN-EFE)--The construction workers union declared an indefinite strike today in demand of better wages and other benefits, thus intensifying the country's current wave of political agitation. This measure tends to worsen El Salvador's political situation, already tense as a result of the actions carried out by the members of the Peoples Revolutionary Bloc (BPR), who seized the Costa Rican and French embassies and the San Salvador cathedral as a means of pressuring the government into releasing BPR Secretary General Facundo Guarado and four other members of the group.

The construction chamber reportedly opposes 10 basic clauses concerned with wage increases, social and economic benefits and percentage increases for workers who do piecework and others. The union includes several thousand workers and many large construction projects were paralyzed today as a result of the workers' strike.

For its part, the construction chamber announced that it is willing to negotiate the arbitration ruling [laud] provided for in collective contracts. They have pointed out that those contracts mention an automatic wage increase for the workers, which has not yet been implemented because those increases must be estimated on the basis of cost of living data released by El Salvador's central reserve bank. According to the chamber's spokesmen, the bank has not yet released this data.

NICARAGUA

REPORT SHOWS VIOLENCE PREVAILING THROUGHOUT COUNTRY

PA100344 Panama City ACAN in Spanish 1756 GMT 9 May 79 PA

[Excerpts] Managua, 9 May (ACAN-EFE)--Eight more dead, the arrest of several medical doctors, a double kidnaping and the revelation of a new guerrilla plan stand out in the wave of violence which Nicaragua is experiencing. Sandinist Front activities were also reported in several cities today within the virtual civil war that broke out last year.

Adrian Martinez Narvaez, a young resident of a neighborhood on the outskirts of Managua, and Arturo Castillo, a police corps private, were killed in the past few hours here by unidentified civilians. In Leon, 90 km west of this capital, two nightwatchmen of the Los Arcos farm owned by the Belli Alfaro family died during an attack on the property. The assailants stole several shotguns and revolvers used to protect the farm. Olga Alvarado, 59, and Silvia Velasquez, her 22-year-old niece, were kidnaped in Chinandega by a gang which is demanding a ransom of 100,000 cordobas ($10,000), according to newspaper reports. The kidnaping occurred in the small town of El Realejo.

At Diria, Granada Department, in the eastern part of the country, a column of 30 youths in olive drab searched several houses in the municipality at dawn on Tuesday for weapons and money. A patrol deployed by the local command showed up later and a shootout ensued. No casualties were reported on either side.

RADIO SANDINO REPORTS ON LATEST DEVELOPMENTS

PA091318 (Clandestine) Radio Sandino in Spanish to Nicaragua 2230 GMT 8 May 79 PA

[Excerpts] On Sunday, 6 May, six national guardsmen were seriously wounded and were sent from Nueva Guinea to the military hospital in Managua. This shows how adverse the fierce fighting has been to the Somozist enemy. Meanwhile, the dictatorship's office of public lies continues to deny that confrontations are occurring in that part of the country.

Our intelligence service reports that demoralization has spread within the Somozist army ranks and officers are trying to boost morale by lying about the size of the Jacinto Hernandez Front, adding that they will destroy our revolutionary forces this month. On the contrary, our ranks have complete faith in victory, as reported by our fighting comrades.

The mobilization of our Sandinist squads continued last night in the cities of Leon and Masaya where our comrades held armed rallies and addressed the population. No casualties have been reported from either city. The police post in the Managua suburb of (Guastan) was attacked by comrades of the tactical combat squads in the capital. Our Sandinist brothers retreated in an orderly manner after the attack. The number of casualties inflicted on the Somozist enemy is unknown.

Elements with Asian features, presumably Koreans and Vietnamese, have been seen in criminal Somozist guard patrols who are exterminating defenseless people. The elements in question were recently hired by the killer Somoza who is using the people's money and money that he gets from imperialism through the monetary agencies it controls.

Control of Matagalpa Neighborhoods

PA100051 (Clandestine) Radio Sandino in Spanish to Nicaragua 2230 GMT 9 May 79 PA

[Excerpts] Since last night, several Sandinist squads have been in control of the city of Matagalpa, where the fighing against the uniformed Somozist killers is still very intense. Our comrades are in control of the following neighborhoods: Palo Alto, (Laborio), El Progreso, La Virgen and the center of the city. Business has come to a halt and entry into the city is banned by the Somoza guard. The shooting is widespread and, according to reports from that city, has been intensified in the past few hours.

Before the fighting began, our comrades called on the people of Matagalpa to stop their activities and at the same time asked them to cooperate in the struggle. The people of Matagalpa have patriotically complied with that request. The Somoza troops are using armored vehicles to move around and most of them are not leaving the garrisons for fear of Sandinist justice. Our comrades in Matagalpa have not reported any casualties so far. They added that the Somoza guard has sustained an unspecified number of casualties.

BRIEFS

AIR PIRACY RESOLUTION--The Nicaraguan Government today ratified its adherence to the resolutions reached at the Bonn, FRG, summit meeting of July of last year on agreements to fight international air piracy. [Managua Estacion X in Spanish 0430 GMT 9 May 79 PA]

MALMIERCA COMMENTS ON RESULTS OF TRIP TO EUROPE

FL091859 Havana Domestic Service in Spanish 1802 GMT 9 May 79 FL

[Text] Isidoro Malmierca Peoli, minister of foreign relations and member of the PCC Central Committee, stated today on his return from visiting several European countries that the trip was very useful and that we believe that our objectives have been accomplished. The Cuban foreign minister said on his arrival that the 17-day tour permitted an extensive, lively and fruitful exchange of viewpoints on the main aspects of the international situation. Malmierca stated that the official visits to Austria, Finland and Belgium were used to carry out this extensive exchange and to provide an up-to-date report on preparations for the sixth nonalined conference. He added that in the tour also contributed to strengthening relations with each of the countries.

In speaking with reporters on his arrival, Malmierca announced that Austria and Finland, which have attended the earlier nonalined summits as guests, reaffirmed their attendance at the conference to be held in Havana. He said the two countries reiterated their interest in the movement's development and expressed their hope that the sixth summit will be successful in contributing to strengthening the nonalined unity.

He said the Cuban delegation's visit began in Austria, where the results of the talks held will strengthen and broaden political, cultural and economic relations. In regard to his stay in Finland, the foreign minister reported that in addition to the important relations already existing, they studied possibilities of signing new agreements.

BLAS ROCA ARRIVES IN BULGARIA ON OFFICIAL VISIT

FL091501 Havana Domestic Service in Spanish 1434 GMT 9 Apr 79 FL

[Excerpt] Blas Roca, president of the Cuban National People's Government Assembly, today arrived in Sofia on an official visit at the invitation of Vladimir Bonev, chairman of Bulgaria's highest legislative body. The Cuban parliamentary leader, who also is member of the PPC Politburo, is traveling at the head of a parliamentary delegation on a tour that includes the GDR, Hungary, Romania, Czechoslovakia and the USSR.

[For Bulgarian reportage on Blas Roca's arrival in Sofia and coverage of his activities, see the Bulgaria section of the 10 May Eastern Europe DAILY REPORT and subsequent issues.]

INTERCOSMOS WORKING GROUP MEETING OPENS

FL092107 Havana Domestic Service in Spanish 2034 GMT 9 May 79 FL

[Text] The fifth meeting of the socialist countries Intercosmos program's working group on the probing of earth from space began here this afternoon. Dr Jose Altshuler, vice chairman of the Academy of Sciences and chairman of the Cuban Intercosmos commission, pointed out at the opening session the achievements made by the working group and its natural resources has for our country.

Hungarian Academician (Pal Stefanovic), the outgoing chairman of the group, also spoke.

The GDR, Czechoslovakia, Hungary, Poland, Romania, Bulgaria, the Soviet Union and Cuba are participating in the meeting, which will be held at the Academy of Sciences until 17 May.

GRENADA

BISHOP WARNS OF DESTABILIZATION ATTEMPTS

FL091753 Havana Domestic Service in Spanish 1700 GMT 9 May 79 FL

[Text] Maurice Bishop, prime minister of Grenada, has condemned a destabilization plan directed at his country which includes a counterrevolutionary propaganda campaign, acts of sabotage and violence. The leader of Grenada described the plan as a pyramid, with a press campaign at the base and sabotage attempts planned against the economy at the middle. He added that the top of the pyramid is the planned assassination of leaders of the revolution.

The prime minister called on the people to immediately join the peoples militia and the revolutionary army. He said that just as in Jamaica in 1976, the enemies of the revolution want to destabilize the country and harm the important tourist industry. In alluding to Tom Adams of Barbados and John Compton of Saint Lucia, he said two prime ministers of the Caribbean and a minister of education, probably from Antigua, have joined in the attacks against his country.

JAMAICA

MANLEY HAILS SPORTS AID GRANTED BY CUBA

FL091359 Havana Domestic Service in Spanish 1334 GMT 9 May 79 FL

[Text] Jamaican Prime Minister Michael Manley has inaugurated an international seminar in Kingston on physical education and sports, sponsored by the Jamaican Government and UNESCO. Manley expressed gratitude for the aid given to Jamaica in the field of sports by several countries, and made special mention of Cuba for its aid in training professors, trainers and athletes. Referring to cooperation with Cuba, Manley mentioned construction of a school for physical education professors by Cuban and Jamaican workers. Manley also announced that Cuba will donate nine modern centers for sports training, whose construction will begin soon in different parts of the country.

HUNGARIAN MISSION TO DISCUSS ALUMINA PLANT

FL091515 Kingston DAILY GLEANER in English 7 May 79 p 11 FL

[Excerpts] A ministerial mission from Hungary is to arrive in the island today to finalize discussion on the engineering works for the 600,000-ton government alumina plant in South Manchester. Design of the plant, formerly known as JAVEMEX, has already been completed by the Hungarians and next week's discussion will finalize details prior to the start of the engineering works. Under the joint agreement entered into between the Jamaican Government and Hungary, the latter country will supply the machinery and carry out the engineering works at the plant.

In addition to the talks on engineering, matters relating to credit, the supply of machinery and a number of items by Hungary and the same of alumina by Jamaica are also to be discussed.

During discussions between Hungarian officials and members of the Jamaican ministerial mission which recently visited Hungary, eleven items were identified for trade between the two countries, beginning next year and, where feasible, this year.

MORE CUBAN DOCTORS EXPECTED TO ARRIVE

FL091510 Kingston SUNDAY GLEANER in English 6 May 79 pp 1, 3 FL

[Excerpt] Another group of 18 doctors are expected in the island shortly to work under the Cuban doctor programme, the parliamentary secretary in the Ministry of Health, Senator Winston Davidson, said in a statement on Friday.

BAHAMAS

PINDLING SUPPORTS BILL ON DEFENSE FORCE

FL091833 Nassau Domestic Service in English 1700 GMT 9 May 79 FL

[Text] Members of the House of Assembly began debate on a bill to establish the country's defense force this morning. (Oby Wilson) is at the House and has a report:

[Begin recording] Prime Minister Pindling, speaking for less than an hour, said he had hoped that the bill would have been a national one; therefore, be dealt with objectively and subjectively. Mr Pindling said he felt the question may be asked by the opposition why is there a need for a defense force, although he said the opposition may feel there is a need for a body that will do what the defense force may do. Mr Pindling said the duties the defense force would be charged with will include: 1) The defense of the Bahamas, 2) the protection of the territorial integrity of the Bahamas, 3) the patrol of the waters of the Bahamas, 4) generally with assisting and relief in times of disaster and 5) the maintenance of order in the Bahamas in conjunction with the law enforcement agencies of the Bahamas.

Mr Pindling said in just recent times the gap in our security system was realized. He said it might be pointed out that poaching began very late in the 1960's when the navy was withdrawing from patrolling in our waters. The prime minister said the narcotics trade in the Bahamas is a new addition to what is termed the illegal (?excitement) that exists in our waters. Mr Pindling said all that participate in poaching or drug trafficking in our waters may have less-sophisticated boats but are well-armed and skillfully trained. He said in order for the officers of the Bahamas Defense Force to deal with that problem they will have to be similarly trained.

Continuing, he said the ground force started by the government in 1939 was the base for the establishment of a sea force. Mr Pindling said a security council would be directly in charge of the defense force that will be headed by the prime minister. He said like the Royal Bahamas Police Force the defense force will have a similar board known as the commission board. Mr Pindling said although there are severe penalties that can be handed down to officers, before those penalties can be inflicted they will have to go through the normal course of the law. He said until such time the bill is passed or not passed, members of the Bahamas Defense Force will act as peace officers.

At the time of this report, the leader of the opposition, Mr Henry Bostwick, had the floor. [end recording]